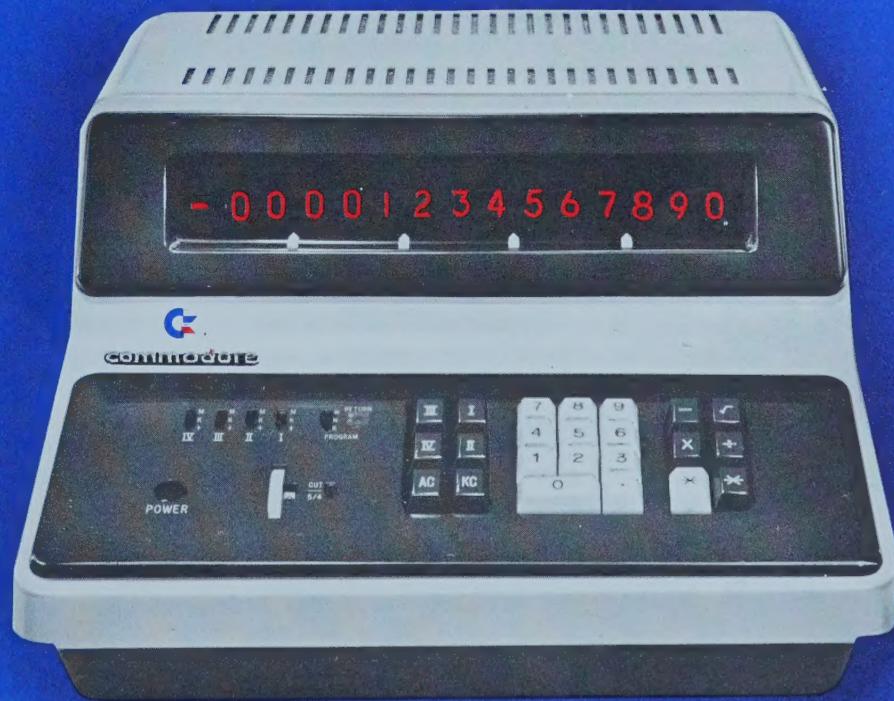




commodore



COMMODORE BUSINESS MACHINES (CANADA) LIMITED

Directors IRVING GOULD — Toronto
 JACK TRAMIEL — Toronto
 MANFRED KAPP — Toronto
 THOMAS McGOURTY — Norfolk, Conn.
 DAVID PERLMUTTER, C.A. — Toronto

Officers IRVING GOULD
Chairman of the Board
 JACK TRAMIEL
President
 MANFRED KAPP
Vice-President and Secretary-Treasurer
 THOMAS McGOURTY
Vice-President, Manufacturing

Head Office 946 Warden Avenue, Scarborough, Ontario.

Divisions Commodore Business Machines Company, Scarborough, Ontario
 Belpree Co., Limited, Scarborough, Ontario
 Associated Tool & Manufacturing Ltd., Downsview, Ontario
 Pearlsound Distributors Limited, Scarborough, Ontario
 Commodore Business Machines Inc., Freeport, N.Y.
 Commodore International Limited, Nassau, Bahamas
 Commodore S.A., Geneva, Switzerland

**Transfer Agent
and Registrar** Eastern & Chartered Trust Co.
 Toronto and Montreal

Auditors Rose & Harrison, Chartered Accountants — Toronto

Counsel Solomon, Singer & Solway — Toronto

Listing Canadian Stock Exchange — Montreal

The President's Message

To the Shareholders:

Notwithstanding the lower volume of business in the fiscal year ended June 30th, 1967, which did result in a loss on operations, progress was made in accordance with the Company's long range program for growth and profit.

This past fiscal year was a transition year, a year in which your Company discontinued its main manufacturing program in Germany, and established a new one in Japan. In order to accomplish this and to maintain our organization, pending the development and delivery of the new equipment, a substantial amount of expenses had to be incurred to bring about the desired results. I am now pleased to report that this difficult phase of our program has been successfully completed.

As a result, we have introduced our new COMMODORE model 201 and 202 adding machines, whose acceptance in North America has been equal to our expectations. These machines have been developed in association with a company whose high technological skills have enabled them, with the help of our own engineers, to produce quality machines at competitive prices.

Our research and development division has further completed two models of adding machines with automatic multiplication. Production prototypes of these machines were recently introduced at two trade conventions in the United States. The basic simplicity, complete features and price of both models, found ready acceptance with the hundreds of dealers who attended these conventions. Delivery of the first model, our standard multiplier model 401, will commence in January 1968. In addition to these machines, our engineers are now working on further refinements on the existing models and also on new products which will complete our line of mechanical calculating machines in the coming year.

Another significant development during this year was the purchase by your Company of all the rights, tools and designs for the "Barrett" adding machine. Though this machine has not been manufactured for some years, "Barrett" was one of the pioneers of the adding machine industry in North America, and the name is well known and respected throughout the world. The basic design of this machine provides distinct possibilities for our mechanical calculator program, and we are convinced that our research and development division will develop this basic concept into a very unique product. We anticipate pre-production prototypes to be completed by early Spring 1968.

As a further step toward the fulfilment of our long-range goals, COMMODORE is in the midst of entering the sophisticated and rapidly expanding field of electronic calculators. This is a very significant step for a young and small company such as ours. However, it is a very natural step, due to the ever increasing demand by businesses, both small and large, for more efficient and advanced methods of calculation. Two models of electronic calculators will be introduced in January 1968, when our staff

will have completed a training program designed to help them meet the more exacting requirements of this new field.

Over the past few months, we have been steadily regaining our export market with our new model electric adding machine. Agencies and distributors in some forty countries throughout the world have been established, or are in the process of being established. In connection with this export market, two new subsidiaries have been organized, Commodore International Limited, and Commodore S.A. The latter company being most important for its strategic location in the centre of the European market.

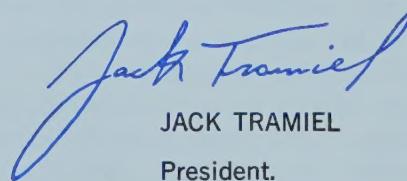
As part of our consolidation and re-organization program, we have decided to discontinue the present retail business in favour of our other endeavors calculated to contribute more to the future growth of our Company. Consequently, in the fiscal year under review, we have disposed of Humber Typewriter in Toronto, and the leased office machines departments in Macy's and Bamberger's, thus releasing funds required in our organization.

The balance of our operations is continuing to progress in a satisfactory manner. New items are being added to our steel office furniture line, manufactured in our Scarborough plant. The ever increasing acceptance of these products is most encouraging.

With our program progressing in accordance with our plans and objectives, we can look forward to a bright and profitable future with confidence.

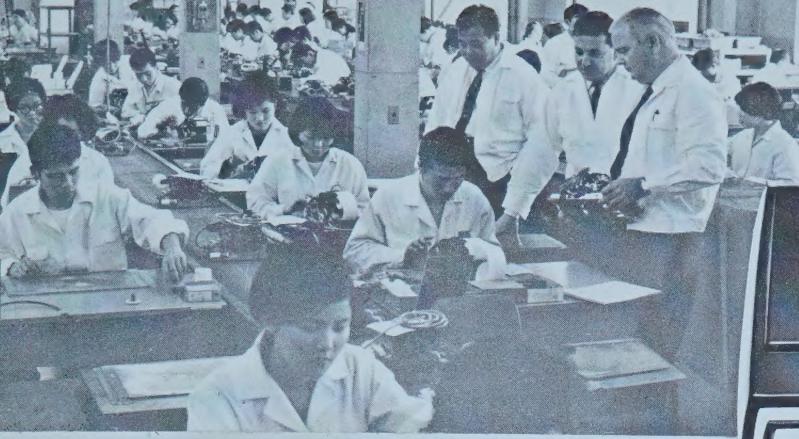
On behalf of myself and my fellow Directors, I want to take this opportunity to express our appreciation to all our employees for their sustained efforts in helping us to achieve our goals; our suppliers for their help and co-operation, and particularly to all our customers throughout North America for their continued support and confidence in our organization.

On behalf of the Board of Directors,



JACK TRAMIEL
President.

October 12th, 1967.





COMMODORE BUSINESS MACHINES
AND ITS WHOLLY-OWNED
(Incorporated under the laws of)

CONSOLIDATED BALANCE SHEET
(With comparative figures)

ASSETS

CURRENT ASSETS

	1967	1966
Cash on Hand and on Deposit	\$ 289,065	\$ 91,882
Accounts and Notes Receivable — Net (Provision for Doubtful Accounts: 1967 \$27,523; 1966 \$30,124)	428,271	597,746
Discounts, Rebates and Deposits Receivable (3)	58,820	275,714
Due from Directors, Officers and Employees	24,926	13,491
Estimated Income Tax Refunds Receivable (8)	311,451	365,179
Prepaid Expenses and Factory Supplies	26,296	18,371
Cash Surrender Value — Life Insurance	9,946	4,700
Merchandise Inventory (At Lower of Cost or Net Realizable Value)	946,583	1,218,309
	<u>2,095,358</u>	<u>2,585,392</u>

INVESTMENTS AND ADVANCES

Investment in Other Corporations (2)	1	1
Notes Receivable — 8% — Due Within One Year After June 30, 1968	10,681	—
	<u>10,682</u>	<u>1</u>

FIXED ASSETS

Real Estate (11)	146,367	146,367
Tools, Machinery and Equipment — Cost	464,239	453,541
Dies and Moulds — Cost Less Amortization	123,481	85,361
Automotive Equipment — Cost	23,424	29,789
Leasehold Improvements — Cost Less Amortization	13,847	13,190
	<u>771,358</u>	<u>728,248</u>
Less — Accumulated Depreciation	359,832	295,596
	<u>411,526</u>	<u>432,652</u>

OTHER ASSETS

Manufacturing Rights, Development Expenses, Patents, Trademarks, Goodwill, etc.	1	1
--	---	---

TOTAL ASSETS - - - - **\$2,517,567**

\$3,018,046

The notes on the following pages form an integral part of the
Balance Sheet and should be read in conjunction therewith.

CHINES (CANADA) LIMITED
SUBSIDIARY COMPANIES⁽¹⁾
of the Province of Ontario)

STATEMENT AS AT JUNE 30, 1967

(Figures for 1966)

LIABILITIES

CURRENT LIABILITIES

	1967	1966
Accounts and Notes Payable and Payments in Transit	\$ 439,544	\$ 681,039
Sales Taxes and Employees' Deductions Payable	15,913	13,620
Advances from Finance Companies — Secured (4)	74,317	102,876
Loans Payable — Shareholders	—	11,097
Mortgages and Liens Payable — Current Portion	13,040	28,340
Provision for Income Taxes Payable	14,209	—
	<u>557,023</u>	<u>836,972</u>

LONG TERM LIABILITIES

Mortgages and Liens Payable (5)	75,016	71,240
TOTAL LIABILITIES	<u>\$ 632,039</u>	<u>\$ 908,212</u>

SHAREHOLDERS' EQUITY

AUTHORIZED CAPITAL

Common Shares (6)
3,000,000 Shares Without Par Value
Preference Shares
100,000 Redeemable, Convertible, 6% Cumulative Shares
with a Par Value of \$10.00 Each

ISSUED CAPITAL

1,042,681 ^{5/100} Common Shares Without Par Value	\$1,352,892	\$1,352,892
--	-------------	-------------

SURPLUS

Retained Earnings	\$224,307	—	448,613
Contributed Surplus	245,168	—	245,168
Appraisal Surplus — Land	63,161	<u>532,636</u>	63,161
	<u>TOTAL SHAREHOLDERS' EQUITY</u>	<u>\$1,885,528</u>	<u>\$2,109,834</u>

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$2,517,567</u>	<u>\$3,018,046</u>
---	---------------------------	---------------------------

Contingent Liabilities: (9) (10)

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

JACK TRAMIEL, Director MANFRED KAPP, Director



COMMODORE BUSINESS MACHINES (CANADA) LIMITED
AND ITS WHOLLY-OWNED SUBSIDIARY COMPANIES

**STATEMENT OF CONSOLIDATED EARNINGS
AND RETAINED EARNINGS**

For the Year Ended June 30, 1967

(With comparative figures for 1966)

	1967	1966
REVENUES	\$4,029,172	\$6,389,366
GROSS PROFIT	\$1,068,972	\$1,496,471
 EXPENDITURES		
Selling Expenses	717,398	932,617
Managing Directors' Salaries	55,000	79,359
Directors' Fees	—	1,650
General and Administrative Expenses	278,845	316,906
Depreciation Charges	76,610	88,096
Financial Expenses	34,042	225,936
Product Development Costs	51,870	—
	1,213,765	1,644,564
 NET PROFIT (LOSS) BEFORE INCOME TAXES AND NON-RECURRING GAINS AND LOSSES	(144,793)	(148,093)
 PROVISION FOR INCOME TAXES	14,209	4,500
Non-Recurring Gains (Losses) and Adjustments Related to Prior Years' Operations and Transactions (Net)	(159,002)	(152,593)
Investment Income	(65,304)	668,305 —
	—	342,750
 NET PROFIT (LOSS)	(224,306)	858,462
 RETAINED EARNINGS — as at July 1 (Opening)	448,613	(442,993)
Transferred from Capital Surplus	—	33,144
 RETAINED EARNINGS — as at June 30	\$ 224,307	\$ 448,613

COMMODORE BUSINESS MACHINES (CANADA) LIMITED
AND ITS WHOLLY-OWNED SUBSIDIARY COMPANIES



STATEMENTS OF CONTRIBUTED AND APPRAISAL SURPLUS

For the Year Ended June 30, 1967

(With comparative figures for 1966)

	1967	1966
CONTRIBUTED SURPLUS		
BALANCE — as at June 30	<u>\$ 245,168</u>	<u>\$ 245,168</u>
APPRaisal SURPLUS		
BALANCE — as at June 30	<u>\$ 63,161</u>	<u>\$ 63,161</u>

Excess of appraised value of land over cost as per appraisal made by M. Goldman Real Estate Limited on April 23, 1965.

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the Year Ended June 30, 1967

FUNDS WERE OBTAINED FROM:

Proceeds from Disposal of Fixed Assets	- - - - -	\$ 4,725
Increase in Long Term Liabilities:		
Lien Note Due December 30, 1968	- - - - -	10,800
		<u>\$ 15,525</u>

FUNDS WERE EXPENDED DUE TO:

Loss on Operations for the Year Ended June 30, 1967	- - - - -	\$ 159,002
Non-Recurring Losses and Adjustments Relating		
to Prior Years' Operations and Transactions (Net)	- - - - -	65,304
		<u>224,306</u>
Less — Charges Against Operations Not Affecting Cash Outlay		
— Provision for Depreciation	- - - - -	76,610
		<u>147,696</u>
Additions to Fixed Assets	- - - - -	60,209
Reductions in Long Term Liabilities	- - - - -	7,024
Long Term Notes Receivable Received as Partial Consideration		
for Sale of Subsidiary on October 1, 1966	- - - - -	10,681
		<u>\$225,610</u>

WHICH RESULTED IN A REDUCTION IN WORKING CAPITAL OF —

\$210,085

**COMMODORE BUSINESS MACHINES (CANADA) LIMITED
AND ITS WHOLLY-OWNED SUBSIDIARY COMPANIES**

**NOTES TO THE CONSOLIDATED BALANCE SHEET
as at June 30, 1967**

(1) The accounts of the following wholly-owned subsidiaries are included in the consolidated statements:

Associated Tool and Manufacturing Company Limited
and its wholly-owned subsidiary
Shelburne Tool Company Limited — Toronto, Ontario
Belpree Company Limited — Toronto, Ontario
Commodore Drycopy Limited — Toronto, Ontario
Commodore International Limited — Nassau, Bahamas
Commodore, S.A. — Geneva, Switzerland
Commodore Business Machines, Inc. — New York, N.Y.
Pearlsound Distributors Limited — Toronto, Ontario

On June 30, 1967, by statutory merger, Commodore Drycopy, Inc. of New York was absorbed by Commodore Business Machines, Inc.

The consolidated statements for 1967 do not include the accounts of Humber Typewriters and Business Equipment Limited which were included in the 1966 consolidated statements. This subsidiary was sold on October 1, 1966.

For the purpose of consolidation, the current assets and all liabilities of the foreign subsidiaries have been converted at the rate of exchange prevailing at the balance sheet date, and expenses and revenues at the average rate of exchange for the year. The fixed assets have been converted at the rate of exchange prevailing at the time of acquisition.

(2) Investments in Other Corporations:

Commodore Industries Limited — Republic of Ireland
A non-operating, wholly-owned subsidiary, carried at the nominal value of \$1.00.

(3) Discounts, Rebates and Deposits Receivable:

Discounts, Rebates and Deposits Receivable — Trade	- - - - -	\$ 8,820
Hold Back Receivable — as per an Agreement in 1966 between the company and the purchaser of one of the company's wholly-owned subsidiaries, an amount of \$250,000 was held back against contingencies, if any, arising out of the agreement of sale. This hold back was due on April 27, 1967. Subsequent to the due date, \$200,000 was paid. The past due balance of \$50,000 is believed to be collectible by the company's management	- - - - -	50,000
TOTAL	- - - - -	<u>\$58,820</u>

(4) Advances from Finance Companies are Secured by the Assignment of Book Debts of a Subsidiary.

(5) Mortgages and Liens Payable

Mortgage — Collaterally secured by a first charge against land and buildings owned by a subsidiary — interest @ 7½% — balance of principal is due on June 1, 1970	- - - - -	64,216
Lien Note — Secured by equipment purchased by a subsidiary in the preceding fiscal period	- - - - -	2,240
Lien Notes — Secured by tools, dies, designs, etc. purchased by the parent company during the fiscal year	- - - - -	21,600
TOTAL	- - - - -	<u>\$88,056</u>

(6) The following shares have been reserved:

(a) For the exercise of share purchase warrants which entitle the holders thereof to purchase fully-paid, non-assessable common shares at the exercise price on or before the dates at which the warrants become void:—

Series	Void After	Warrants Issued	Exercise Price	Warrants Outstanding	Shares Reserved
"A"	Nov. 1, 1974	200,000	\$4.50	199,200	
"B"	May 1, 1975	120,000	5.50	120,000	
"C"	Apr. 1, 1976	120,000	5.50	120,000	439,200 sh.
(b) For options granted to employees to purchase fully-paid and non-assessable common shares:—					
	At \$4.05 per share			1,875	
	At \$1.50 per share			95,000	96,875 sh.
TOTAL SHARES RESERVED - - - - - 536,075					

(7) The parent company has a tax loss carry forward in the amount of \$784,011 which may be used to reduce future taxation.

(8) Estimated income tax refunds claimed are subject to review and assessment by the various taxing authorities.

(9) Contingent Liabilities

(a) One of the wholly-owned subsidiaries is contingently liable for letters of credit outstanding for merchandise ordered but not delivered as at balance sheet date. The total of such letters of credit was \$92,512.

(b) The parent company and one of its subsidiaries were named as defendants in a law suit for alleged breach of contract, by Instrument Systems Corporation. This action is being disputed and a counter-claim has been filed.

(10) Leases

The company and its wholly-owned subsidiaries are liable under the terms of the leases on lands and premises as follows:

Lease expiring on April 30, 1984 at an annual rental of \$38,341. Lease commencing on October 1, 1967 and expiring on September 30, 1987, at an annual rental of \$26,500.

(11) Included in the Real Estate is \$63,161, being the appraised value of Land over its Cost. This Appraisal was made on April 23rd, 1965 by M. Goldman Real Estate Limited.

AUDITORS' REPORT

To the Shareholders,
Commodore Business Machines (Canada) Limited,
Toronto, Ontario.

Dear Sirs:

We have examined the Consolidated Balance Sheet of Commodore Business Machines (Canada) Limited and its wholly-owned subsidiaries as at June 30, 1967, and the statements of consolidated earnings and retained earnings, contributed surplus and appraisal surplus for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying Balance Sheet and related statements present fairly the financial position of Commodore Business Machines (Canada) Limited and its wholly-owned subsidiary companies as at June 30, 1967, and the results of their operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent, in all material respects, with that of the preceding year.

Our examination also included the accompanying statement of source and application of funds which, in our opinion, when considered in relation to the aforementioned financial statements, presents fairly the sources and applications of funds of the company for the year ended June 30, 1967.

Respectfully submitted,

ROSE & HARRISON
Chartered Accountants

Toronto, October 2, 1967.



COMMODORE BUSINESS MACHINES (CANADA) LIMITED
946 Warden Avenue, Scarborough, Ontario



AR46

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REPORT TO
THE SHAREHOLDERS
FOR THE SIX MONTHS
ENDED
DECEMBER 31, 1967

commodore

TO THE SHAREHOLDERS:

SALES

Consolidated sales for the six months period ended December 31, 1966 included a substantial amount of sales from our retail operations which were discontinued just prior to our year end, in June, 1967. Thus, sales in the period under review are not comparable to the previous period. A substantial increase in the sales volume is anticipated in the second half of our fiscal year.

OPERATIONS

As we advised the shareholders in our 1967 annual report, we introduced our Model 500E and AL-1000 Electronic calculators in January 1968. We are pleased to report that these machines are being well received by our dealers. Sales of our adding machines are continuing at a strong pace and with the delivery of our new Model 401 Multiplier, which has just started, it is estimated that sales of all these machines will surpass our original projections. Sales of our other products are increasing at a satisfactory rate.

EARNINGS

The results of our re-organization are beginning to manifest themselves as indicated by the profit of \$8,767 for the six months under review, as compared with a loss of \$69,166 for the same period in 1966. Depreciation in the amount of \$34,904 was comparable to last year.

OUTLOOK

Continuing increases in sales together with the management controls implemented to date, should result in a 1968 fiscal year of renewed growth and profitability.

JACK TRAMIEL
President

February 27, 1968

COMMODORE BUSINESS MACHINES (CANADA) LTD.

AND ITS WHOLLY-OWNED SUBSIDIARY COMPANIES

INTERIM STATEMENT OF CONSOLIDATED EARNINGS AND RETAINED EARNINGS

For the Six Months Ended December 31st, 1967

UNAUDITED

	Six Months Ended Dec. 31, 1967	Six Months Ended Dec. 31, 1966
Sales	\$ 1,827,841	\$ 2,569,377
Gross Profit	510,866	677,143
Operating Expenses (including Depreciation of 34,904— 1966: 36,868)	501,755	739,517
Net Earnings (Loss) Before Taxes	9,111	(62,374)
Income Taxes	344	6,792
Net Earnings (Loss)	8,767	(69,166)
Retained Earnings at July 1—(Opening)	224,307	448,613
Transferred from Appraisal Surplus	63,161	—
Retained Earnings at December 31	\$ 298,663	\$ 379,447

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the Six Months Ended December 31st, 1967

UNAUDITED

Source of Funds

Net Earnings	\$ 8,767
Depreciation and Amortization	34,904
	43,671
Proceeds From—	
Disposal of Fixed Assets	114,418
Long Term Notes Receivable	6,000
Exercise of Options on 73,000 shares of Capital Stock	109,500
	TOTAL \$ 273,589

Application of Funds

Reduction of Long Term Debt	66,796
Additions To Fixed Assets	30,413
	TOTAL \$ 97,209

Increase in Working Capital

Working Capital at Beginning of Period	\$ 1,538,335
Increase in Working Capital	176,380
Working Capital at End of Period	\$ 1,714,715

The comparable 1966 figures are not available, since a Statement of Source and Application of Funds was not prepared for the Six Months Ended December 31st, 1966.



COMMODORE BUSINESS MACHINES (CANADA) LTD.

DIRECTORS

IRVING GOULD—Toronto
JACK TRAMIEL—Toronto
MANFRED KAPP—Toronto
THOMAS McGOURTY—Norfolk, Conn.
DAVID PERLMUTTER, C.A.—Toronto

OFFICERS

IRVING GOULD
Chairman of the Board
JACK TRAMIEL
President
MANFRED KAPP
Vice-President and Secretary-Treasurer
THOMAS McGOURTY
Vice-President, Manufacturing

HEAD OFFICE

946 Warden Avenue, Scarborough, Ontario.

DIVISIONS

Commodore Business Machines Company,
Scarborough, Ontario
Belpree Co., Limited,
Scarborough, Ontario
Associated Tool & Manufacturing Ltd.,
Malton, Ontario
Pearlsound Distributors Limited,
Scarborough, Ontario
Commodore Business Machines Inc.,
New York, N.Y.
Commodore International Limited,
Nassau, Bahamas
Commodore S.A.,
Geneva, Switzerland

TRANSFER AGENT AND REGISTRAR

Canada Permanent Trust Company,
Toronto and Montreal

AUDITORS

Rose & Harrison, Chartered Accountants—Toronto

COUNSEL

Solomon, Singer & Solway—Toronto

LISTING

Canadian Stock Exchange—Montreal

COMMODORE BUSINESS MACHINES (CANADA) LIMITED

AR46

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

November 16, 1967

TAKE NOTICE that the Annual Meeting of Shareholders of COMMODORE BUSINESS MACHINES (CANADA) LIMITED will be held in Salon "A", Lord Simcoe Hotel, King Street and University Avenue, Toronto, Ontario, Canada, on Thursday, the 16th day of November, 1967, at the hour of 11 o'clock in the forenoon, Toronto Time, for the following purposes:

1. To receive and consider the Annual Report, the Financial Statements and the Report of the Auditors;
2. To elect Directors;
3. To appoint Auditors and authorize the Directors to fix their remuneration;
4. To transact such other business as may properly come before the meeting or any adjournment thereof.

The Annual Report, Information Circular and Proxy are enclosed with this Notice.

It is important that the proxy be returned promptly; therefore, shareholders who do not expect to attend the meeting in person are urged to execute and return the Proxy in the enclosed envelope to which no postage need be affixed if mailed in Canada.

By order of the Board of Directors,

Toronto, Onatrio,
October 26, 1967.

MANFRED KAPP,
Secretary-Treasurer.

COMMODORE BUSINESS MACHINES (CANADA) LIMITED

INFORMATION CIRCULAR

PROXY SOLICITATION BY MANAGEMENT

This information is furnished in connection with the solicitation by the management of COMMODORE BUSINESS MACHINES (CANADA) LIMITED of proxies to be used at the Annual Meeting of Shareholders of the Company to be held on the 16th day of November, 1967. In addition to mail solicitation, there may be incidental personal solicitation made by regular officers and employees of the Company. The entire cost of soliciting these proxies will be borne by the Company.

REVOCABILITY OF PROXY

If the accompanying proxy is executed and returned, the Shareholder, nevertheless, if he so desires, may revoke it by written revocation at any time prior to the voting thereof.

VOTING SHARES AND PRINCIPAL SHAREHOLDERS

The common shares of the Company are the only class of shares of the Company entitled to be voted at the Annual Meeting. At the close of business on October 16, 1967, there were 1,115,681 5/20 common shares outstanding. Each holder of common shares of record on November 16, 1967, is entitled to one vote, in person or by proxy, at the Annual Meeting. Only holders of common shares of record at the close of business on October 25, 1967, will be entitled to notice of the Meeting. At the Meeting, those five (5) nominees for Directors receiving the greatest number of votes cast by the holders of common shares will be elected as Directors.

To the knowledge of the Directors or senior officers of the Company, Irving Gould is the only person or company who directly or indirectly, beneficially owns more than ten per cent (10%) of the outstanding common shares of the Company, namely 242,243 common shares, which represent approximately 21.7% of the total issued and outstanding common shares of the Company.

ELECTION OF DIRECTORS

It is intended that the persons named in the proxy will vote for the election of the five (5) nominees listed below, all of whom are now Directors, to serve until the next

Annual Meeting of Shareholders and until their respective successors shall be elected. Each of the nominees was elected to his present term of office at the last Annual Meeting of Shareholders. A discretionary authority is solicited to vote for the election of a substitute for any of said nominees who, for any reason presently unknown, cannot be a candidate for election.

The following table sets forth the names of the nominees for election to the Board of Directors, the principal occupation or employment of each of such nominees, the principal business of the company or other organization in which such occupation or employment is carried on, the principal occupations or employments of each of such nominees within the five (5) preceding years, the period or periods during which such nominees have served as Directors of the Company, and the approximate number of common shares of the Company beneficially owned, directly or indirectly, by each of them at October 16, 1967:

Name	Present Principal Occupation and Principal Occupation for Preceding Five Years of Nominee	Director Since Following Year	Common Shares Beneficially Owned Directly or Indirectly
Irving Gould	Chairman of the Board, Superpack Corp. Limited and Steadman Industries Ltd.	1966	242,243
Jack Tramiel	President of the Company	1958	65,437
Manfred Kapp	Secretary-Treasurer of the Company	1958	63,398
Thomas McGourty	Vice-President, Manufacturing, of the Company	1965	5
David Perlmutter	Partner, Perlmutter, Orenstein Giddens, Newman & Kofman, Chartered Accountants	1966	5

REMUNERATION OF MANAGEMENT

The aggregate direct remuneration paid or payable by the Company and its subsidiaries to Directors and senior officers for the fiscal year ending June 30th, 1967, was \$117,500.

OPTIONS

The following table sets forth information relating to options exercised since the commencement of the Company's last completed fiscal year, pursuant to existing stock option plans by Directors and senior officers of the Company as a group:

Date of Purchase	Number of Common Shares Purchased	Option Price Per Common Share	Range of Market Prices of Shares Within 30 Days Preceding Dates of Exercise
September 6, 1967	73,000	\$1.50	\$1.20 to \$2.00

The following table sets forth information relating to indebtedness of Directors, senior officers and associates thereof to the Company and its subsidiaries during the fiscal year of the Company ended June 30th, 1967:

Name	Nature of Indebtedness and Transaction in which it was incurred	Largest aggregate Amount of Indebtedness Outstanding	Amount of Indebtedness presently outstanding	Rate of interest thereon
Jack Tramiel	Advances	\$16,410	\$16,410	Nil

APPOINTMENT OF AUDITORS

It is intended that the persons named in the proxy will vote for the appointment of Rose & Harrison, Chartered Accountants, to serve as Auditors of the Company until the next Annual Meeting of Shareholders.

OTHER MATTERS

The Annual Report, the Financial Statements and the Report of the Auditors for the fiscal year of the Company ended June 30th, 1967, will be submitted to the Meeting of Shareholders for approval. The management of the Company knows of no matters other than those specified above to be brought before the Meeting. However, if any other matters properly come before the Meeting or any adjournments thereof, it is the intention of the persons named in the enclosed proxy to vote the same in accordance with their judgment on such matters.

By order of the Board of Directors,

DATED October 26, 1967.

JACK TRAMIEL,

President.